

2007 Status Report

Cobb County Government Employees' Pension Plan

June 26, 2007

J. Virgil Moon, CPA

Introducing...

Board of Trustees

- Virgil Moon – Chair
- Bill Hutson - Vice Chair
- Brad Bowers
- Tony Hagler
- Ken Thigpen

Master Trustee

SunTrust Bank

- Arlene Whitley

Investment Advisor

Southeastern Advisory Services, Inc.

- John Small

Actuary

Wachovia Retirement Services

- James G. Berberian, Principal

County Staff

- John Bergey, CPA, Finance Treasurer
- Tracy Minjauw, HR Benefits Manager
- Rhonda Richardson, HR Specialist

Group Statistics As of 01/01/07

Retirees & Beneficiaries

Currently Receiving Benefits:	1,219
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Vested Former Employees:	663
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Active Employees Eligible For Pension Plan:	<u>4,031</u>
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Fully Vested:	2,217
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Non-vested:	1,814
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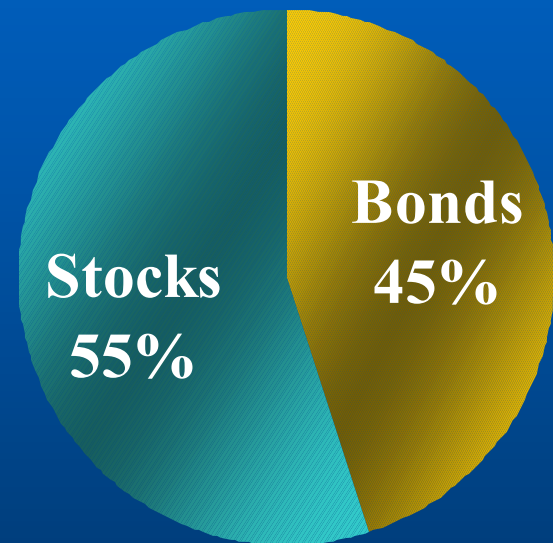
Established in 1971

Focus on the Portfolio: 12/31/06*

Diversified Investments:

Bonds: 5 Managers

Stocks: 9 Managers



***Cost Basis**

Fund Managers

● Equity (9)

- INTECH
- Legg Mason
- Vanguard Total International Stock Fund
- Vanguard S&P 500 Index Fund
- Vanguard MidCap 400 Index Fund
- LSV Asset Management
- Systematic Financial Mgmt
- Granahan Investment Mgmt
- Eagle Capital

● Fixed Income (5)

- Vanguard Intermediate Bond Fund
- Pacific Mutual Bond Index Fund
- CIGNA
- PIMCO
- MBIA

Manager Performance

Market Rate of Return for Total Fund

- Goal: 8.0%
- Actual achieved: 8.03% in 2006
- Five year period: 5.62%
- Ten year period: 7.27%

Total Fund vs. Total Fund Universe

- Goal: Top 50 Percentile
- Actual achieved: 81st in 2006
- Five year period: 79th
- Ten year period: 64th

Employer Contribution

Percent of Payroll (Fiscal Year End)



*2008 Budgeted

Contributions – Plan Year Ended 12/31/06

Employer: 10.00%*	\$18,530,619
Employee: 4.50%**	<u>8,363,925</u>
Contribution Income:	\$26,894,544

*Increased to:

10.25% effective 10/1/06

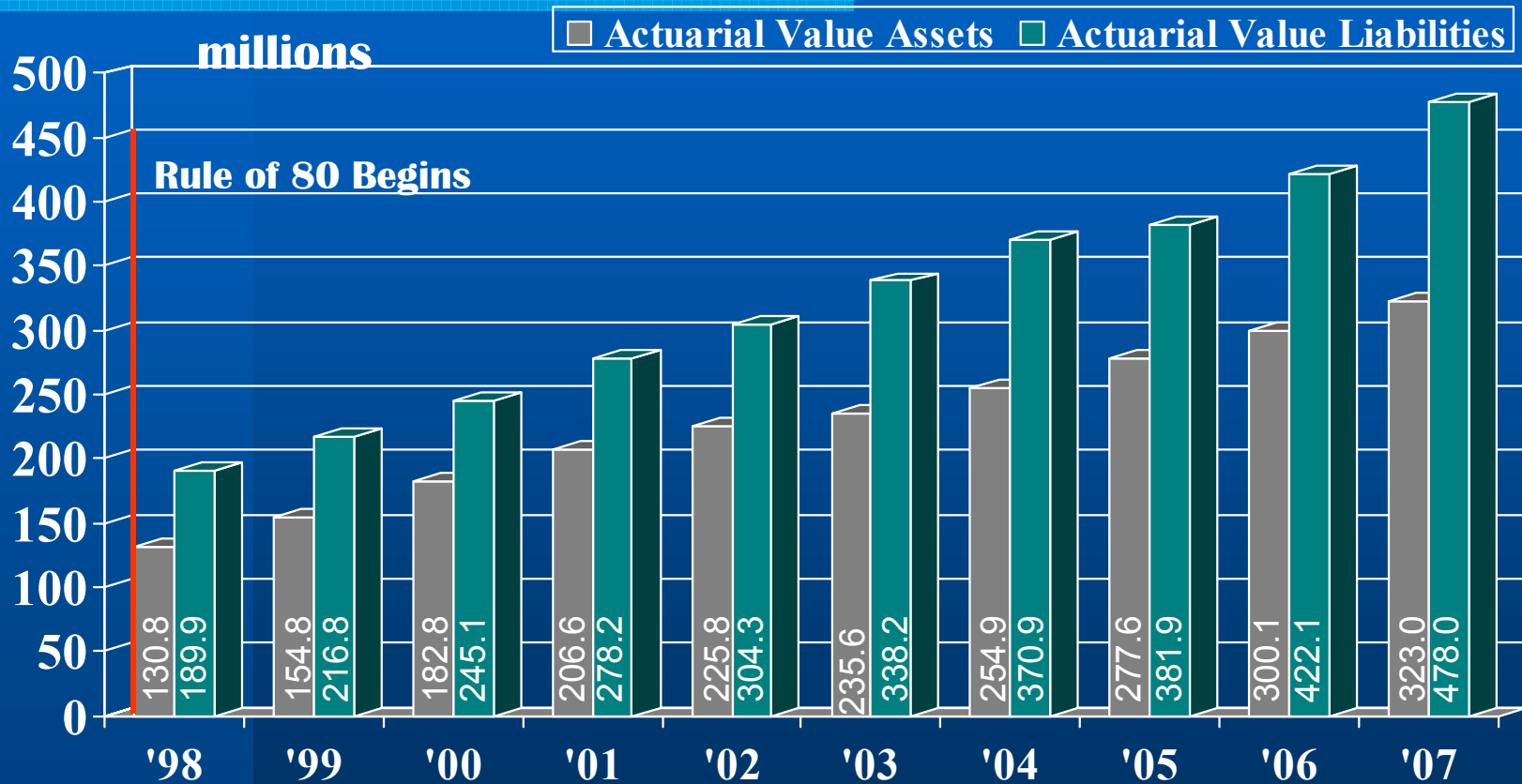
10.50% effective 10/1/07

**Increased to:

4.75% effective 2/11/07

5.00% effective 2/8/08

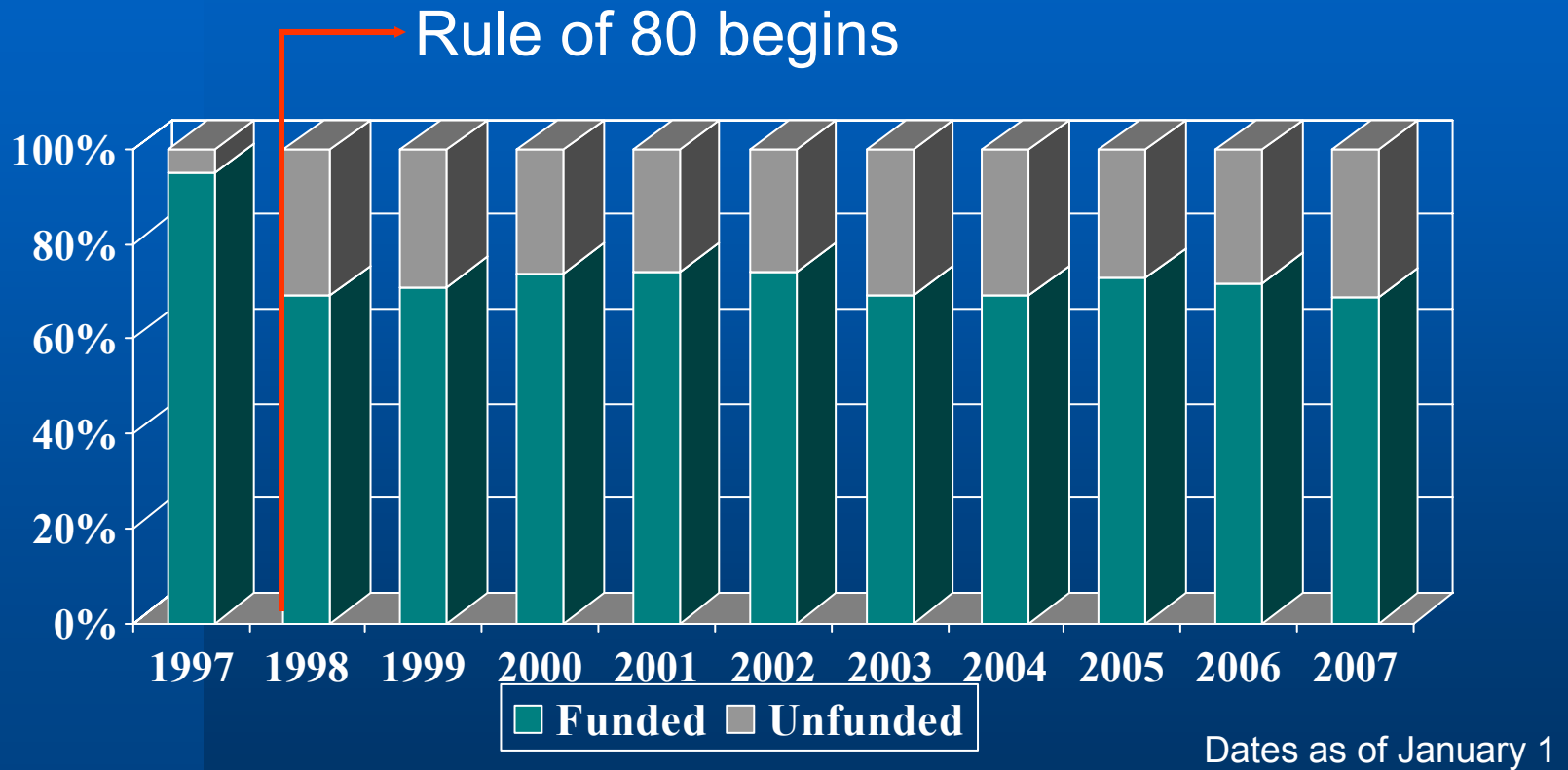
Assets vs. Liabilities (Actuarial Value)



Market value of assets as of 1/1/07 = \$302,584,295

Funding Status

68% Funded



Board of Trustees Yearly Highlights/Work In Progress

- **UBS Under Contract As New Financial Advisor**
- **Troutman Sanders Under Contract As New Expert Legal Counsel**
- **Actuarial Experience Study Underway**
- **Actuarial Asset/Liability 10 Year Projection Will Follow**
- **Based On Above Future Recommendations May Come Back To County Manager and Board Of Commissioners**

Summary

- **Continue**
 - **Innovative Education**
 - Human Resources
 - Pension Fund Web Page
 - ICMA Retirement Corporation
 - **Active Asset/Liability Management**
 - Asset Diversification
 - Manage Performance Standards
 - PF Liability Impact Statements on Future Budget Items
 - **Employer/Employee Contribution Partnership**
 - To Continue